



State Capitol | Lansing, Michigan 48913

PH (517) 373.0793 | FAX (517) 373.5607

www.senate.michigan.gov/gop/senator/george/

For Immediate Release
October 27, 2005

Contact: Sherry Sofia
517-373-0793

Sen. George: Healthy behavior could mean lower insurance rates

LANSING – Insurance companies will be allowed to create health incentive programs which reward healthy behavior with lower insurance rates under legislation introduced in the Senate today by Sen. Tom George.

“Michigan is facing an unacceptable public health crisis steeped in unhealthy living such as inactivity, poor diets and smoking,” said George, the only physician in the Michigan Senate. “What the state needs are incentives for healthy behavior. Currently, health insurance consists of a card you carry in your pocket and retrieve when you get sick. This legislation will help people stay healthy, reducing the need for medical care and lowering insurance costs.”

Senate Bills 848 and 849 will require insurers, HMOs and non-profit health care corporations to offer wellness coverage and provide premium rebates for participation. Currently, health insurance companies, unlike life, home or auto insurance carriers, are forbidden by state law from offering incentives for good behavior.

Rising health care costs have taken their toll on every sector in Michigan, including manufacturers, schools and state government. This has forced employers to drop health coverage, require employees to pay more or lay off workers.

“As Michigan ranks third in the nation in obesity rates, with 60 percent of adults overweight, it is time to allow insurance companies to reward healthy behavior with financial incentives,” said George, R-Texas Township. “Individuals who exercise, refrain from smoking and are compliant with treatment should see a benefit in their pocketbook.”

A 2004 Altarum study found that Michigan, when compared with selected benchmark states, ranked second highest in obesity, sixth highest in smoking, highest in coronary heart disease and second highest in diabetes. In addition, overweight and obese individuals incur up to \$1,500 more in annual medical costs than healthy-weight individuals.

“Given our dire situation, Michigan should lead the way with such insurance innovations,” George said. “Addressing this epidemic of unhealthy behaviors is needed to rescue the state’s economy and is the only way to truly make Michigan healthier.”

###